V.   WE CLAIM:

1. (original)   A method for card activity-based residential expense crediting, the method including the steps of:

associating card activity with an external residential expense;

5   crediting an amount to the residential expense responsive to the card activity; and

generating output including the card activity-based residential expense crediting;

wherein at least some of the steps are carried out by computer.

10   2. (currently amended)   The method of claim 45, further including the step of:

applying some of the amount in a funds transfer to pay the expense.

3. (currently amended)   The method of claim 45, wherein the step of

15 associating card activity with an external residential expense includes the step of entering external mortgage-identifying data; and

carrying out the step of crediting according to the data.

4. (original)   The method of claim 2, wherein the step of associating card

20 activity with an external residential expense includes the step of entering external mortgage-identifying data; and

carrying out the step of crediting according to the data.

5. (currently amended)   The method of claim 45, wherein the external

25 residential expense is a closing cost.

6. (currently amended)   The method of claim 45, wherein the external residential expense is a downpayment.

5   7. (original)   The method of claim 4, wherein the external residential expense is insurance.

8. (original)   A method for card activity-based residential expense crediting, the method including the steps of:

10   associating card activity with a non-mortgage residential expense;

crediting an amount to the residential expense responsive to the card activity;

applying some of the amount to produce a payment for the expense; and

generating output including the crediting and the applying; wherein at least some of the steps are carried out by computer.

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9. (currently amended)   The method of claim 46, where the step of applying includes producing a closing cost payment as the payment for the expense.

10. (currently amended)   The method of claim 45, where the step of applying

20   includes producing a downpayment as the payment for the expense.

11. (currently amended)   The method of claim 45, where the step of applying includes producing an insurance payment as the payment for the expense.

25   12. (currently amended)   The method of claim 45, where the step of applying

includes producing a payment for at least one discount point as the payment for the expense.

13. (currently amended)   The method of claim 45, where the step of applying includes producing a prepaid interest payment as the payment for the expense.

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14. (currently amended)   The method of claim 45, where the step of applying includes producing a payment to an escrow account as the payment for the expense.

15. (currently amended)   The method of claim 45, where the step of applying

10   includes producing a payment triggering acquisition of a member of the group the group consisting of a boat, a motor home, a mobile home, a trailer, mineral rights, water rights, riparian rights, and parking space acquisition as the payment for the expense.

16. (currently amended)   The method of claim 45, where the step of applying

15   includes producing a tax payment as the payment for the expense.

17. (currently amended)   The method of claim 45, where the step of applying includes producing a fee payment from the group consisting of a an impact fee, new construction fee, government fee, recording fee, transfer fee, miscellaneous fee, mitigation fee,

20   origination fee, commission, review and funding fee, wire transfer and courier fee, title and closing fee, an underwriting processing fee, and a flood certificate fee as the payment for the expense.

18. (currently amended)   The method of claim 45, where the step of applying

25   includes producing a payment for a cost from the group consisting of a stamp, a title

endorsement, a tax certificate, an environmental and termite inspection, a radon test, an

inspection, an appraisal, abstract search, title search, title examination, title insurance binder,

and a credit report as the payment for the expense.

5   19. (currently amended)   The method of claim 45, where the step of applying

includes producing a payment for fee payment from the group consisting of a tax service fee,

an architect fee, an engineering fee, a surveying fee, an attorney fee, a realtor fee, and a notary

fee as the payment for the expense.

10   20. (currently amended)   The method of claim 45, where the step of applying

includes producing a payment of a cost from the group consisting of a dockage fee and a

marina fee as the payment for the expense.

          21. (currently amended)   The method of claim 45, where the step of applying

15   includes producing a payment of a cost from the group consisting of a lot cost, land cost, equity

sharing cost, development cost, infrastructure cost, material cost, landscaping, fix-up cost for

work and materials required to close the loan, house-hunting costs, and moving cost as the

payment for the expense.

20   22. (currently amended)   The method of claim 45, where the step of applying

includes producing a payment of a cost from the group consisting of an ongoing residential

expense, the expense from the group consisting of a special assessment, a homeowner

assessment, a membership fee, an association due, common area fee, and parking

maintenance as the payment for the expense.

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23. (currently amended)   The method of claim 45, where the step of applying includes producing a payment of a cost from the group consisting of appliance acquisition, appliance upgrade, and a material upgrade as the payment for the expense.

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24. (currently amended)   The method of claim 45, where the step of applying includes producing a payment of a rent as the payment for the expense.

25. (currently amended) The method of any one of claims 1-24, 45, and 46, further including the step of: applying a preferential crediting rate in the crediting for an internal

10   expense.

26. (currently amended)   The method of any one of claims 1-24, 45, and 46, wherein the step of applying is carried out in response to an instruction received over the Internet.

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27. (currently amended)   The method of any one of claims 1, 8, 45, and 46, wherein the step of applying includes communicating includes:

printing a check for the amount;

printing a coupon with the amount for carrying out payment of the mortgage with the check; and

combining the check and the coupon with a statement of the card activity in a computer-addressed envelope so as to address the envelope.

28. . (currently amended)   The method of any one of claims 1, 8, 45, and 46, further including the step of:

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changing an allocation of the credit activity between expenses in response to an instruction from the cardholder.

29. (currently amended)   The method of any one of claims 1, 8, 45, and 46,, further including the step of:

changing an allocation of the credit activity between interest and principle in response to an instruction from a holder from the group consisting of the cardholder and an expense holder.

30. . (currently amended)   The method of any one of claims 1, 8, 45, and 46, further including the steps of:

allocating a portion of the credit activity to a charity; and

issuing a tax deduction statement responsive to the portion.

31. (currently amended)   The method of any one of claims 1, 8, 45, and 46, further including the steps of:

computing an annual statement of said crediting; and

communicating the annual statement to the cardholder.

32. (original)   The method of claim 31, wherein the step of computing an annual statement includes:

computing mortgage interest paid by the crediting.

33. (currently amended)   The method of any one of claims 1, 8, 45, and 46, further including the steps of:

allocating a portion of the amount between multiple mortgages.

34. (currently amended)   The method of any one of claims 1, 8, 45, and 46, further including the steps of:

associating the expense with second card activity of a second cardholder;

crediting an amount to the expense responsive to the second card activity; and

wherein the step of generating output includes generating the output including the second charge card activity-based crediting.

35. . (currently amended)   The method of any one of claims 1, 8, 45, and 46, further including the step of:

communicating a funds transfer to a charity for payment of the expense.

36. (currently amended)   A method for carrying out card activity-based residential expense crediting, the method including the step of:

forming a combination in an envelope, the combination including at least two of:

a check printed for the payment of the expense;

a coupon printed for making the payment with the check; and

a statement of showing the card activity and the crediting.

37. (currently amended)   A method for making a digital computer system programmed for carrying out card activity-based residential expense crediting, the method including the steps of:

providing a digital computer and data processing system comprising a digital computer electrically connected to an input device for inputting data and to an output device;

and

programming the digital computer to associate card activity with an external residential expense, to credit an amount to the expense responsive to the card activity, and to generate output including the card activity-based crediting, to form the digital computer system programmed for carrying out card activity-based mortgage crediting.

38. (currently amended)   A method for making a digital computer system programmed for carrying out card activity-based residential expense crediting, the method including the steps of:

providing a digital computer and data processing system comprising a digital computer electrically connected to an input device for inputting data and to an output device; and

programming the digital computer to associate card activity with an external residential expense, to credit an amount to the expense responsive to the card activity, and to generate output including the card activity-based crediting, to form the digital computer system programmed for carrying out card activity-based mortgage crediting.

39. (currently amended)   A method for making a digital computer system programmed for carrying out card activity-based residential expense crediting, the method including the steps of:

providing a digital computer and data processing system comprising a digital computer electrically connected to an input device for inputting data and to an output device; and

programming the digital computer to associate card activity with a non-mortgage residential expense, to credit an amount to the residential expense responsive to the card

activity, to apply some of the amount to produce a payment for the expense, and to generate

output including the crediting and applying, to form the digital computer system programmed for

carrying out card activity-based mortgage crediting.

40. (currently amended)   A digital computer system programmed for
carrying out card

activity-based residential expense crediting, the computer system including:

a digital computer and data processing system comprising a digital computer

electrically connected to an input device for inputting data and to an output device, said digital

computer programmed to associate card activity with a non-mortgage residential expense, to

credit an amount to the residential expense responsive to the card activity, to apply some of the

amount to produce a payment for the expense, and to generate output including at least two of:

a check printed for the payment of the expense;

a coupon printed for making the payment with the check; and

a statement of showing the card activity and the crediting.

41. (currently amended)   A digital computer system programmed for

carrying out card activity-based residential expense crediting, the computer system including:

a digital computer and data processing system comprising a digital computer

electrically connected to an input device for inputting data and to an output device, said digital

computer programmed to associate card activity with an external mortgage residential expense,

to credit an amount to the residential expense responsive to the card activity, to apply some of

the amount to produce a payment for the expense, and to generate output including at least two

of:

a check printed for the payment of the expense;

a coupon printed for making the payment with the check; and

a statement of showing the card activity and the crediting.

42. (original)   A method for carrying out computerized card activity-based residential expense crediting, the method including the step of:

crediting card activity to a non-mortgage expense payment in response to a cardholder instruction received over the Internet.

43. (original)   A method for carrying out computerized card activity-based residential expense crediting, the method including the step of:

crediting card activity to an external residential expense payment in response to a cardholder instruction received over the Internet.

44. (original)   The method of claim 43, wherein the step of crediting is carried out with a mortgage as the external residential expense payment.

45. (new)   The method of claim 1, further including the step of:

5   obtaining identifying data for the external residential expense; and

wherein the step of crediting is carried out with the amount comprising a reward.

46. (new)   The method of claim 8, further including the step of:

obtaining identifying data for the external residential expense; and

10   wherein the step of crediting is carried out with the amount comprising a reward.

47. (new)   The method of claim 36, further including the step of producing

said card activity-based residential expense crediting by entering identifying data for the external residential expense in a computer and computing a reward corresponding to the crediting.

5   48. (new)   The method of claim 37, wherein the step of programming includes programming to carry out the step of obtaining identifying data for the external residential expense, and wherein said amount comprises a reward.

           49. (new)   The method of claim 38, wherein the step of programming

10   includes programming to carry out the step of obtaining identifying data for the external residential expense, and wherein said amount comprises a reward.

           50. (new)   The method of claim 39, wherein the step of programming includes programming to carry out the step of obtaining identifying data for the external

15   residential expense, and wherein said amount comprises a reward.

           51. (new)   The system of claim 40, wherein said amount comprises a reward.

20   52. (new)   The system of claim 41, wherein said amount comprises a reward.

           53. (new)   The system of claim 42, further including the step of computing a reward used in carrying out said step of crediting.

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54. (new)   The system of claim 43, further including the step of computing a reward used in carrying out said step of crediting.